



Q: What Is Lobbying?

**A: Lobbying is taking a
specific position on a
specific piece of legislation
or ballot proposition/initiative**



Lobbying Language

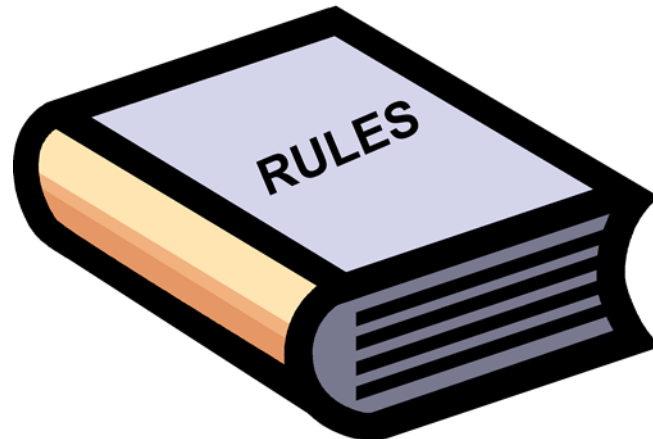
- Support
- Defeat, Oppose, Object
- Pass
- Vote No
- Vote For
- Vote Against



Can 501(c)3s Can Legally Lobby?

Yes!

BUT you must play by the rules





Lobbying Rules for 501(c)3s?



How Much Lobbying Are 501(c)3s Permitted To Do?

Allowable Lobbying Expenditures

Tax Exempt Income	Amount that can be spent on lobbying
First \$500,000	20% - \$100,000
2 nd \$500,000	15% - \$75,000
3 rd \$500,000	10% - \$50,000
All income over the first \$1.5 million	5% - up to a total of \$1 million

Some coalitions come under the 501'(3) status of a larger organization. In that case, calculations of allowable lobbying expenditures are based on the budget and expenditures of the larger organization.



**BUT if your 501(c)3 chooses
to lobby, it should file IRS
Form 5768.**



Why?

- Filing provides:
 - liberal limits on how much money can be spent on lobbying
 - very clear definitions of what activities don't include lobbying
 - The ability to monetize your actual lobbying expenses to protect you in an audit or if questions are raised about expenditures and funds.



If Your 501(c)3 Organization Receives A Mixture of Federal *and* Non-federal, Non-restricted Funds, Can You Lobby? **Yes!**

- You can use up to 20% of your 501(c)3 **organization's** first \$500K in tax-exempt expenditures to lobby **BUT** you cannot use any of your federal or matching funds to lobby.



501 (c) 3s that lobby must use Unrestricted Funds





What Are Unrestricted Funds?

- Unrestricted funds are non-state, non-federal, non-matching dollars.
- They are privately raised funds that can be used to lobby and take positions on legislation and initiatives/propositions.

Education versus Lobbying for Bills/Ordinances

1. Gather data and analysis to make your case
2. Identify and engage allies
3. Set up a meeting with your potential legislative champions to brief them on the general issue

EDUCATION

4. Research model legislation/ordinance
5. Draft the language of the bill or ordinance
6. Present the draft bill to potential champions
7. Recruit bipartisan support in the city council/state legislator
8. Testify for or against a bill/ordinance at a hearing
9. Prepare for the vote by mobilizing grassroots and grassroots support for the specific bill/ordinance

LOBBYING/NO FEDERAL FUNDS



Monetizing Lobbying Efforts

- A salary of 50,000 year translates into \$1,000 a week, \$200 a day, \$24 an hour, .40 a minute.



Monetizing Lobbying Efforts

1. Figure out your per minute/hour/day rates for key staff
2. Lay out your entire strategy
3. Determine what parts are education vs. lobbying
4. Determine how many hours actual lobbying tasks will take/who will do them and the hourly rate
5. Monetize lobbying expenditures
6. Use/Raise unrestricted funds to do this!!



**501 (c) 3s can lobby but must use
only non-restricted funds, monetize
them, account for them, complete
IRS form 5768.**

